

<b>Opportunity Title:</b>	State Planning and Establishment Grants for the Affordability
<b>Offering Agency:</b>	Ofc of Consumer Information & Insurance Oversight
<b>CFDA Number:</b>	93.525
<b>CFDA Description:</b>	State Planning and Establishment Grants for the Affordability
<b>Opportunity Number:</b>	IE-HBE-10-001
<b>Competition ID:</b>	IE-HBE-10-001-011777
<b>Opportunity Open Date:</b>	07/29/2010
<b>Opportunity Close Date:</b>	09/01/2010
<b>Agency Contact:</b>	Donna Laverdiere Office of Consumer Information and Insurance Oversight Department of Health and Human Services (301) 492-4145 Donna.Laverdiere@hhs.gov

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

\* Application Filing Name:

## Mandatory Documents

Move Form to Complete

Move Form to Delete

## Mandatory Documents for Submission

Disclosure of Lobbying Activities (SF-LLL)  
Project/Performance Site Location(s)  
Other Attachments Form  
Project Narrative Attachment Form  
Project Abstract Summary  
Budget Narrative Attachment Form

## Optional Documents

Move Form to Submission List

Move Form to Delete

## Optional Documents for Submission

## Instructions

- Enter a name for the application in the Application Filing Name field.

  - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
  - You can save your application at any time by clicking the "Save" button at the top of your screen.
  - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
- Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

  - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
  - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
  - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
  - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
- Click the "Save & Submit" button to submit your application to Grants.gov.

  - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
  - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
  - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
  - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
<b>* If Revision, select appropriate letter(s):</b> <input type="text"/> <b>* Other (Specify):</b> <input type="text"/>		
<b>* 3. Date Received:</b> <input type="text" value="09/01/2010"/>		<b>4. Applicant Identifier:</b> <input type="text"/>
<b>5a. Federal Entity Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> <input type="text" value="Cabinet for Health and Family Service"/>		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> <input type="text" value="610600439"/>		<b>* c. Organizational DUNS:</b> <input type="text" value="9270497670000"/>
<b>d. Address:</b>		
<b>* Street1:</b> <input type="text" value="275 East Main Street, 4W-E"/>		
<b>Street2:</b> <input type="text"/>		
<b>* City:</b> <input type="text" value="Frankfort"/>		
<b>County/Parish:</b> <input type="text"/>		
<b>* State:</b> <input type="text" value="KY: Kentucky"/>		
<b>Province:</b> <input type="text"/>		
<b>* Country:</b> <input type="text" value="USA: UNITED STATES"/>		
<b>* Zip / Postal Code:</b> <input type="text" value="40621-2321"/>		
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> <input type="text"/>		<b>Division Name:</b> <input type="text"/>
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> <input type="text"/>		<b>* First Name:</b> <input type="text" value="Carrie"/>
<b>Middle Name:</b> <input type="text"/>		
<b>* Last Name:</b> <input type="text" value="Banahan"/>		
<b>Suffix:</b> <input type="text"/>		
<b>Title:</b> <input type="text"/>		
<b>Organizational Affiliation:</b> <input type="text"/>		
<b>* Telephone Number:</b> <input type="text" value="502-564-9592"/>		<b>Fax Number:</b> <input type="text"/>
<b>* Email:</b> <input type="text" value="Carrie.Banahan@ky.gov"/>		

## Application for Federal Assistance SF-424

### \* 9. Type of Applicant 1: Select Applicant Type:

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

### \* 10. Name of Federal Agency:

Ofc of Consumer Information & Insurance Oversight

### 11. Catalog of Federal Domestic Assistance Number:

93.525

CFDA Title:

State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges

### \* 12. Funding Opportunity Number:

IE-HBE-10-001

\* Title:

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

### 13. Competition Identification Number:

IE-HBE-10-001-011777

Title:

### 14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

### \* 15. Descriptive Title of Applicant's Project:

State Planning and Establishment Grants for the Affordable Care Act's Exchanges.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments



## Application for Federal Assistance SF-424

### 16. Congressional Districts Of:

\* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

### 17. Proposed Project:

\* a. Start Date:

\* b. End Date:

### 18. Estimated Funding (\$):

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

### \* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

### \* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ \*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

### Authorized Representative:

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:



## Other Attachment File(s)

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**\* Mandatory Other Attachment Filename:**

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To add more "Other Attachment" attachments, please use the attachment buttons below.

## Project Abstract Summary

**Program Announcement (CFDA)**

93.525

**\* Program Announcement (Funding Opportunity Number)**

IE-HBE-10-001

**\* Closing Date**

09/01/2010

**\* Applicant Name**

Cabinet for Health and Family Service

**\* Length of Proposed Project**

12

**Application Control No.****Federal Share Requested (for each year)****\* Federal Share 1st Year**

\$ 1,000,000

**\* Federal Share 2nd Year**

\$ 0

**\* Federal Share 3rd Year**

\$ 0

**\* Federal Share 4th Year**

\$ 0

**\* Federal Share 5th Year**

\$ 0

**Non-Federal Share Requested (for each year)****\* Non-Federal Share 1st Year**

\$ 0

**\* Non-Federal Share 2nd Year**

\$ 0

**\* Non-Federal Share 3rd Year**

\$ 0

**\* Non-Federal Share 4th Year**

\$ 0

**\* Non-Federal Share 5th Year**

\$ 0

**\* Project Title**

State Planning and Establishment Grants for the Affordable Care Act's Exchanges.

## Project Abstract Summary

### \* Project Summary

#### Kentucky's Planning and Establishment for a State Health Benefit Exchange

#### Abstract Summary

The Kentucky Cabinet for Health and Family Services, has been designated as the authority to oversee the development and compliance of the Affordable Care Act, respectfully requesting \$1 million federal grant funds intended for the planning and possible establishment of a state health benefit exchange. The Cabinet for Health and Family Services (CHFS) consists of a majority of the state's human services and health care programs, including the Department for Medicaid Services (DMS), Department for Community Based Services (DCBS), Commission for Children with Special Health Care Needs (CCSHCN), and the Department of Public Health (DPH) who will all be working in collaboration with the Public Protection Cabinet (PPC) through the Department of Insurance (DOI), and Governor's Office in the planning process for an exchange. These collaborative efforts will begin by conducting background research and analysis on the uninsured and insured populations in Kentucky. A survey of health insurance carriers will also be completed to determine current plan designs and premium levels in the market place, in addition to economic and actuarial modeling to project trends of newly insured's and the impact of merging the individual and small group markets. Public forums will be hosted with a diverse group of stake holders to allow active participation in the planning process by soliciting input and identifying potential issues. Business operations for the exchange will be examined by identifying administrative and financial functions to ensure a successful and sustainable business model. An analysis and determination will be made to operationally define the structure of the exchange with consideration of how it may be integrated with the Medicaid program and insurance market. Medicaid eligibility Information Technology (IT) system capabilities will be assessed to identify any gaps between current system operations and desired system requirements for the exchange. CHFS and DOI will also visit other states with existing exchanges to obtain detailed information on the benefits and obstacles of each exchange.

### \* Estimated number of people to be served as a result of the award of this grant.

4314113



### Project/Performance Site Location(s)

**Project/Performance Site Primary Location** ☐ I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Project/Performance Site Location 1** ☐ I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Additional Location(s)**

**Project Narrative File(s)**

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\* **Mandatory Project Narrative File Filename:**

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To add more Project Narrative File attachments, please use the attachment buttons below.

**Budget Narrative File(s)**

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\* Mandatory Budget Narrative Filename:

Budget Narrative.pdf

Add Mandatory Budget Narrative

Delete Mandatory Budget Narrative

View Mandatory Budget Narrative

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To add more Budget Narrative attachments, please use the attachment buttons below.

Add Optional Budget Narrative

Delete Optional Budget Narrative

View Optional Budget Narrative



# BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 4040-0006  
Expiration Date 07/30/2010

## SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Planning	930525	\$ 1,000,000.00	\$ 0.00	\$ 1,000,000.00	\$ 0.00	\$ 2,000,000.00
2.						
3.						
4.						
5. Totals		\$ 1,000,000.00	\$	\$ 1,000,000.00	\$	\$ 2,000,000.00

# SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Planning	(2)	(3)	(4)	
a. Personnel	\$ 168,070.00	\$	\$	\$	168,070.00
b. Fringe Benefits	76,555.00				76,555.00
c. Travel	37,610.00				37,610.00
d. Equipment	0.00				
e. Supplies	10,000.00				10,000.00
f. Contractual	502,500.00				502,500.00
g. Construction	0.00				
h. Other	45,265.00				45,265.00
i. Total Direct Charges (sum of 6a-6h)	840,000.00			\$	840,000.00
j. Indirect Charges	160,000.00			\$	160,000.00
k. TOTALS (sum of 6i and 6j)	\$ 1,000,000.00	\$	\$	\$	1,000,000.00
7. Program Income	\$ 0.00	\$	\$	\$	

SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.	\$	\$	\$	\$	
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)	\$	\$	\$	\$	

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 1,000,000.00	\$ 250,000.00	\$ 500,000.00	\$ 125,000.00	\$ 125,000.00
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)	\$ 1,000,000.00	\$ 250,000.00	\$ 500,000.00	\$ 125,000.00	\$ 125,000.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. Planning	\$ 1,000,000.00	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	\$ 1,000,000.00	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges:	22. Indirect Charges:
23. Remarks:	



**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p><b>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b></p> <p>Carrie Banahan</p>	<p><b>* TITLE</b></p> <p>Executive Director Office of Health Policy</p>
<p><b>* APPLICANT ORGANIZATION</b></p> <p>Cabinet for Health and Family Service</p>	<p><b>* DATE SUBMITTED</b></p> <p>09/01/2010</p>



# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB  
0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name <input type="text" value="NA"/> * Street 1 <input type="text" value="NA"/> Street 2 <input type="text"/> * City <input type="text" value="NA"/> State <input type="text"/> Zip <input type="text"/> Congressional District, if known: <input type="text"/>		
<b>5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:</b>    		
<b>6. * Federal Department/Agency:</b> <input type="text" value="Department for Health and Human Services"/>	<b>7. * Federal Program Name/Description:</b> <input type="text" value="State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges"/> CFDA Number, if applicable: <input type="text" value="93.525"/>	
<b>8. Federal Action Number, if known:</b> <input type="text"/>	<b>9. Award Amount, if known:</b> \$ <input type="text"/>	
<b>10. a. Name and Address of Lobbying Registrant:</b> Prefix <input type="text"/> * First Name <input type="text" value="NA"/> Middle Name <input type="text"/> * Last Name <input type="text" value="NA"/> Suffix <input type="text"/> * Street 1 <input type="text"/> Street 2 <input type="text"/> * City <input type="text"/> State <input type="text"/> Zip <input type="text"/>		
<b>b. Individual Performing Services</b> (including address if different from No. 10a) Prefix <input type="text"/> * First Name <input type="text" value="NA"/> Middle Name <input type="text"/> * Last Name <input type="text" value="NA"/> Suffix <input type="text"/> * Street 1 <input type="text"/> Street 2 <input type="text"/> * City <input type="text"/> State <input type="text"/> Zip <input type="text"/>		
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.  * Signature: <input type="text" value="Carrie Banahan"/> * Name: Prefix <input type="text"/> * First Name <input type="text" value="NA"/> Middle Name <input type="text"/> * Last Name <input type="text" value="NA"/> Suffix <input type="text"/> Title: <input type="text"/> Telephone No.: <input type="text"/> Date: <input type="text" value="09/01/2010"/>		
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)



## Grant Work Plan and Timeline

### Kentucky State Planning and Establishment Grant for the Affordable Care Act's Exchange

**Goal: Develop Kentucky's Health Exchange**  
**Measurable Outcome(s): Development of integrated health benefits exchange.**

\* Time Frame (Year One - October 1, 2010 – September 31, 2011)

Major Objectives	Key Tasks	Lead Person	1*	2*	3*	4*	5*	6*	7*	8*	9*	10*	11*	12*
1. Background Research	Draft specifications and select an outside vendor, non-profit agency or academic institution to conduct in-depth surveys and analysis of insured and uninsured populations; create new data sources for plan designs, premium levels, and market size; and complete economical and actuarial modeling of trends and policy options.  Selected vendor begins background research survey and analysis, completes project and provides final report to Commonwealth.	Program Director	X	X										
2. Stakeholder Involvement	Convene public forums; meet with public and private stakeholders, develop educational materials, publicize via website newsletters and mailings.	Department of Insurance Program Director	X	X	X	X	X	X	X					
3. Program Integration	Define how exchange will be structured and integrated with the Medicaid program and insurance markets. <ul style="list-style-type: none"> <li>• Development of policy goals</li> <li>• Examine operational structure of the exchange</li> <li>• Assess and operational relationship between Medicaid and exchange</li> <li>• Review seamless system for Medicaid and exchange enrollees</li> <li>• Analyze impact of exchange on insurance market</li> <li>• Consider Merger of non group and small group markets</li> </ul>	Department of Insurance Program Director		X	X	X	X	X						

Major Objectives	Key Tasks	Lead Person	1*	2*	3*	4*	5*	6*	7*	8*	9*	10*	11*	12*
4. Resources and Capabilities	CHFS will hire two additional positions to assist in the research, analysis, and program management.	Program Director	X	X										
5. Governance	Background research on the three options of governance.  Meeting with other states with existing exchanges to further identify benefits and potential obstacles.  Assessment and recommendation of governance structure.	Program Director & Department of Insurance	X	X	X									
6. Finance	Review accounting systems for exchange; general ledger, payroll, accounts payable and accounts receivable, financial management and reporting tools. Development of internal controls and financial statement reporting for public disclosure.  Assess finance functions; appropriate accounting systems, servers, warehousing of data, data security, specialized accounting and finance personnel.	Program Director				X	X	X	X	X	X	X	X	X
7. Technical Infrastructure	Develop specifications for IT consultant/vendor.  Procure IT consultant/vendor to; <ul style="list-style-type: none"> <li>Assess current IT system capabilities and determine needed system enhancements, and</li> <li>Review and assess web portal requirements and determine needed changes</li> </ul>	Program Director & IT staff	X	X		X	X	X	X	X	X	X	X	X

Major Objectives	Key Tasks	Lead Person	1*	2*	3*	4*	5*	6*	7*	8*	9*	10*	11*	12*
8. Business Operations	<p>Administrative functions: develop organization structure, define duties of organizational structure, and review needed staffing.</p> <p>Operational functions: assess eligibility and cost sharing requirements for subsidies; support coverage choice and decisions of consumers; price coverage; assess customer service, enrollment and renewal needs.</p> <p>Financial functions: development of fee/assessment amount to sustain exchange; review lockbox function, examine tracking and reporting of tax subsidy flows; and analyze financial reporting and internal controls.</p>	Program Director	X	X	X	X	X	X						X
9. Regulatory or Policy Actions	Evaluate policy decisions and determine need for new legislation.	Program Director & Department of Insurance							X	X	X	X	X	X



KENTUCKY CABINET FOR HEALTH AND FAMILY SERVICES  
KENTUCKY STATE PLANNING AND ESTABLISHMENT GRANT FOR THE  
AFFORDABLE CARE ACT'S EXCHANGE  
AUGUST 31, 2010

PROJECT NARRATIVE

The Affordable Care Act (ACA) State Grant program affords the Commonwealth of Kentucky an unprecedented opportunity to plan for the establishment of American Health Benefit Exchanges. To this end, the Governor has designated the Commonwealth's Cabinet for Health and Family Services (CHFS), to serve as the State Designated Entity for the grant. The Executive Director of the Office of Health Policy in CHFS will provide oversight and leadership for the grant and will serve as the single point of contact for grant matters.

The Cabinet for Health and Family Services (CHFS) is home to most of the state's human services and health care programs, including the Department for Medicaid Services (DMS), Department for Community Based Services (DCBS), Commission for Children with Special Health Care Needs (CCSHCN) and the Department for Public Health (DPH). The Cabinet for Health and Family Services total Fiscal Year 2011 budget is \$7.78 billion and 85% of that figure goes to the above agencies to support the provision of medical and health care services and supports. CHFS is one of the largest agencies in state government, with over 7,500 full and part-time employees. CHFS in collaboration with the Governor's Office and the Department of Insurance (DOI) will be working on the planning for an exchange.

The following narrative describes Kentucky's planning process to research, analyze, and examine resources necessary for the Commonwealth to operate an exchange.

**Background Research-**Substantial background research will be needed to properly plan for the development and implementation of an exchange so that Kentucky's goals of expanding access and affordability through an exchange can be met. Planning is needed to ensure that an exchange could be implemented to operate in concert with existing insurance markets and in the best interests of all Kentuckians. While the ACA establishes certain minimum requirements for an exchange, substantial state flexibility is also provided to accomplish these goals.

Many of the issues relating to the exchange are fundamentally linked to the details of how Kentucky's individual, small group and association insurance markets currently operate and how they relate to other mechanisms for the delivery and financing of healthcare such as the self-funded market, Medicare, Medicaid, CHIP, and other public programs. Research is needed to develop a thorough understanding of these existing sources of coverage and documenting the ways in which health coverage is currently provided in order to determine future policies and strategies that can be addressed through the exchange. Compilation of a reasonably complete dataset will help inform economic and actuarial modeling, strategy for an exchange, future planning projects, and policy decisions. Such a dataset will also form a baseline to be used to determine progress toward the effectuation of the policy goals.

Following are examples of the background research that will be carried out in this planning phase:

1. A thorough examination of the currently uninsured and insured residents of Kentucky.

The research and analysis of the uninsured will need to include:



- Current estimates of the total number of people in Kentucky who lack health coverage;
- Demographic information (i.e. age, gender, marital status, race/ethnicity, geographical location) relating to the uninsured;
- Family income;
- Employment, including a breakdown of the uninsured who are employed based on the size of their employer (1-50, 1-100, over 100) and whether they are offered employer-sponsored insurance in the group or association markets; and
- Eligibility for publicly-subsidized health coverage programs.

The research and analysis of the currently insured will need to include:

- Demographic profiles of the insured across each of the major market segments (individual, small group, large group and association) including the self-funded market;
- Geographic variations in the coverage rate of the commercially insured and the self-insured;
- Number of carriers currently marketing in the counties/region;
- Number of employers offering insurance through self-funded plans;
- Breakdown of the size of employers that offer insurance by county;
- Benefit designs associated with existing insurance coverage;

- Premiums paid and allocation of premium between employer and employee;
  - Employees' take-up rate of employer-sponsored insurance by size of employer;  
and
  - How insurance is obtained (e.g., direct purchase, agent, etc.)
2. Research and analysis based on existing data sources such as the Current Population Survey (CPS), the Medical Expenditure Panel Survey (MEPS) and the DOI rate and form filing database will be needed to assist in understanding the number of people in each insurance type, as well as small business offerings and premium levels.
  3. Creation of new data sources such as a survey of the health insurance carriers to determine plan designs being sold in the market, premium levels of such plan designs, and the size of the various market segments (Individual, small group, association and large group).
  4. Economic and actuarial modeling to project trends such as the number of newly insured, the impact of market segments, as well as the impact of certain market changes on premium levels and cost/savings to the state budget.
  5. Economic and actuarial modeling of various policy options such as: development of a Basic Health Benefit Plan, merging of the non-group and small group markets, expansion of the definition of the small group market, creation of more than one exchange and other issues.
  6. Research of a financial model to operate a sustainable exchange.

**Stakeholder Involvement**-Stakeholder participation is an essential element in the planning process for the Exchange. Multiple opportunities will be provided to receive stakeholder input through public forums. The public forums will provide a structured process for meaningful discussion on Exchanges with a diverse group of stakeholders from both the public and private sectors. Kentucky plans to host public forums in various locations across the State in an effort to inform and educate stakeholders regarding the requirements of Exchanges. Staff within CHFS and DOI will bring together the expertise and resources to facilitate the public forums by providing education on the purpose of the exchange. Active participation of the stakeholders will be promoted and encouraged allowing input from stakeholders as well as providing an opportunity to share concerns and identify issues. Important stakeholders include but are not limited to; consumers, advocates, healthcare providers, insurers, agents, employers, medical schools, and workforce development resources. The public forums will provide invaluable input from different perspectives which will be of significant benefit to the Commonwealth of Kentucky in the development of an Exchange.

**Program Integration**-An important part of the planning process for the Commonwealth will be to operationally define how the Exchange will be structured and how it may be integrated with the Medicaid program and insurance markets. As part of this process, Kentucky plans to;

1. Develop policy goals for the exchange.
2. Examine the operational structure of the Exchange, i.e. market organizer, selective contracting agent or active purchaser, etc, to achieve policy goals.
3. Analyze the policy and operational relationships between Medicaid and the Exchange.

4. Assess the ability of the Exchange to create a “seamless system” for healthcare coverage for Medicaid and Exchange enrollees.
5. Determine the impact of the Exchange on the insurance market.
6. Analyze the benefit of merging the non-group and small group markets and determine the factors of operating more than one Exchange.
7. Examine the number of employees that will constitute a small employer group for both the Exchange and insurance market.
8. Consider the role insurance producers will play in the Exchange.

To address the impact the Exchange may have on provider access, quality and cost of health care coverage, Kentucky will need to examine the following;

1. The ability of an Exchange to increase provider access in underserved areas.
2. Assess the opportunity to reform healthcare payment systems, by aligning payments with quality and lowering healthcare cost.

Through stakeholder input, inter-agency workgroups and program analysis the Commonwealth will address these items.

**Resources and Capabilities-**The Commonwealth of Kentucky will be utilizing current staff in CHFS and DOI to begin studying the insurance market and Medicaid systems for the planning and implementation of the Exchange. However, it is anticipated that CHFS will be adding additional staff to assist in the planning process including performing research, project



management, analysis, inter-agency communications, and oversight of contract procurement. These staff positions include a Policy Advisor and a Health Policy Specialist II.

Kentucky will be performing significant background research on the uninsured and the private insurance and self-funded markets in order to make key policy decisions regarding the development of the Exchange. Outside vendors through the Commonwealth's procurement process will be used for purposes of performing an in-depth survey and completing analysis of the results. No vendors have been identified at this time.

CHFS will be assessing the current Medicaid eligibility systems in order to perform the complex eligibility requirements under the ACA, determine gaps and necessary system upgrades, and to interface with the exchange. It is anticipated that CHFS will procure vendor services to determine if system changes can be completed with internal IT staff or if a Request for Proposal (RFP) will be needed to outsource the services to complete the necessary system changes.

**Governance-** The Commonwealth will assess the three options for the governance structure of an Exchange including ceding the function to the federal government; joining with other states in a regional exchange; or establishing its own state-operated exchange, including whether a state-operated exchange should be governed by an existing state entity, a newly created state entity or a non-profit entity established by the state.

In considering whether to cede the function of an exchange to the federal government, Kentucky intends to perform an analysis of the responsibilities related to the regulation of health insurance both within the exchange and outside the exchange and review if it is in the best interest of Kentucky to have a common regulator for the market as a whole. In addition to conducting an analysis, Kentucky will also review information from states that opted for a



federal fallback position under the Health Insurance Portability and Accountability Act (HIPAA) to learn from their experience. Finally, in assessing this option, Kentucky will consider whether there would be any fiscal impact to the commonwealth, either positive or negative, in ceding this function to the federal government, particularly in the area of Medicaid eligibility.

In considering the option of a regional exchange with other states, Kentucky intends to contact its surrounding states to determine whether there is interest in a regional exchange. Should interest be expressed, Kentucky will perform a legal analysis of its ability to enter into a compact to operate an exchange jointly with other states. Additionally, Kentucky will assess the insurance market in interested states to determine commonalities in demographics, insurers, and consumer protection laws to determine whether a regional exchange would be advantageous to Kentucky.

In considering the option of establishing its own state-operated exchange, Kentucky will review existing health care functions, including eligibility reviews, claims payment services, health information technology, and information technology services currently performed by state government agencies. This review will include a consideration of the budgetary impact for enhancing those functions to operate an exchange, or if needed, the cost for outsourcing those functions. The assessment of this option will also include a review of state procurement laws to determine the barriers to outsourcing administrative functions, if necessary, and an assessment of the job responsibilities of existing state personnel to determine the additional personnel costs that would be incurred for a state-operated exchange. As part of this option, Kentucky will make an assessment of where the Exchange will reside (existing or new state agency), consider the type of government structure to establish and review the options of the entity (state government agency or officials) to which the Exchange should be accountable. Finally, in order to perform a

thorough review, Kentucky intends to meet with states with existing exchanges to understand the benefits and obstacles to this option.

In considering the option of establishing its own state-operated Exchange governed by a non-profit entity, Kentucky will complete the same type of analysis in the previous paragraph in addition to conducting a legal analysis to examine governance structures, appointment processes, conflict of interest rules and methods of accountability.

**Finance-** The Commonwealth will begin to identify the necessary accounting and financial resources to operate an exchange. Planning is needed to ensure that the finances of the exchange are viable and that appropriate checks and balances are in place in accordance with modern accounting practices.

A review of accounting systems will be conducted and include; a general ledger, payroll, accounts payable and accounts receivable function, financial management and reporting tools. Other areas to be reviewed will include; the development of a system of internal controls, and the development of financial statement reporting for disclosure to the public.

Planning for the finance area will include an assessment of the technical requirements such as the appropriate accounting system, servers, warehousing of data, and data security, as well as the hiring of specialized accounting and finance personnel due to the complexity of the public/private hybrid of an exchange.

**Technical Infrastructure-**In order to ensure that Kentucky is prepared to implement the necessary system enhancements for the Exchange, it is essential to perform an assessment of its current Information Technology (IT) system capabilities and understand the necessary changes needed to conform with the IT aspects under the ACA.

The Exchange will require a web portal which allows individuals to apply online for health care coverage. The Exchange must also ensure that when an individual applies to the Exchange and is found eligible for Medicaid, that individual will be enrolled in Medicaid.

Kentucky's current Medicaid eligibility system is a mainframe based COBOL, system which was implemented as an integrated system including Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) eligibility in 1993. The assessment will allow the Commonwealth to determine system modifications needed to existing systems and identify new system requirements to facilitate eligibility and enrollment across Medicaid, Kentucky Children's Health Insurance Program (KCHIP) and the Exchanges.

CHFS will need to procure the services of IT vendors. These vendors will research system requirements needed to conform to the ACA, assess current capabilities of the Kentucky's systems including the Kentucky Automated Eligibility System (KAMES), and determine gaps between current capabilities and the desired system requirements. Consultants will work under the direction of the Office of Administrative and Technology Services (OATS) management which oversees all IT needs for CHFS. They will meet with internal OATS, Department for Community Based Services (DCBS) and Department for Medicaid Services (DMS) staff to document existing system capabilities and determine the optimum solution. DCBS is the designated agency responsible for determining Medicaid eligibility and DMS establishes the policy for the Medicaid programs in CHFS. Since the existing eligibility system is a tightly integrated system with SNAP and TANF, it may be necessary to de-link the Medicaid eligibility portion from KAMES in order to fully comply with requirements under the ACA. The consultants will review prior documentation which was completed for a statewide eligibility web application for public programs, assess system requirements for the Exchange, analyze and



document the gaps, and determine if changes can be completed with internal IT staff or if a Request for Proposal (RFP) will be needed to procure a vendor to complete the necessary system changes.

**Business Operations-** A thorough assessment of the business operations will be necessary to properly plan for the development of Kentucky's Exchange to ensure a successful and sustainable business model. The assessment will include a review of the administrative, operational and financial functions for the business operations of the Exchange.

Administrative functions will include development of an organizational structure, definition of the specific duties of the organizational structure, and a review of necessary staffing.

Operational functions will include; ability to determine eligibility and calculate cost-sharing for subsidized individuals; support coverage choices and decision-making by customers; accurately price coverage for individuals, families and employer groups; support, track and manage customer service enrollment and renewal.

Financial functions will include, development of fees/revenue necessary to develop a sustainable business model for the Exchange after 2014, lockbox function for premium collections, tracking and reporting tax subsidy flows, financial reporting, and development of a system of internal controls.

**Regulatory or Policy Actions-** The need for legislation will depend on the policy decisions made related to governance and operations of the exchange in Kentucky. The narrative in the governance section more fully explains the assessment to be completed in making this policy decision.

Should the decision be made to have a state-operated exchange, Kentucky will need to enact legislation to allow for the creation of the Exchange and to set forth the framework of its duties and responsibilities in the 2011 Regular Session. The details of the operation of the Exchange would be addressed through subsequent legislation, administrative regulations or documents of the governing entity.

Should the decision be made to operate a regional exchange with other states, Kentucky will likely need legislation to enter into a compact for the operation of the exchange, with the details of the operation of the exchange addressed through other documents of the governing entity. The timing of the presentation of legislation in Kentucky would depend on coordination with other states. Kentucky has annual legislative sessions beginning in January and ending in April of even-numbered years and ending in March of odd-numbered years.



# Kentucky's Budget Narrative/Justification

Object Class Category	Federal Funds	Justification
Lead Project Staffing	\$153,070	<p>Lead Point of Contact (Executive Director) = 25% @ \$100,000 = \$25,000</p> <p>Staff Assistant = 100% @ \$55,000 = \$55,000  Health Policy Specialist I = 100% @ \$36,000  Health Data Administrator = 25% @  \$63,000 = \$15,570  Health Policy Specialist II = 50% \$43,000 =  \$21,500</p>
Support Staff	\$15,000	<p>Staff Attorney III- Legal research for state operated and regional exchanges. \$32.00 per hour @ 200 hours = \$6,400</p> <p>Health Policy Specialist II- governance research for market commonalities in surrounding states. \$22.00 per hour @ 100 hours = \$2,200</p> <p>Staff Assistant- Regulating action, draft enabling, legislation, administrative regulating and governing documents.  \$32.00 an hour @ 200 hours= \$6,400</p>
Fringe Benefits	\$76,555	<p>Fringe (27%)  FICA (7.65%)  Health (5%)  Retirement (4.9%)  Life (1%)</p> <p>For Lead Point of Contact \$11,386</p>

Kentucky's Budget Narrative/Justification

		<p>For Staff Assistant \$25,053</p> <p>Health Policy Specialist I \$16,398</p> <p>For Health Policy Specialist II \$9,793</p> <p>Health Data Administrator \$7,092</p> <p>For Support Staff \$6,833</p>
Travel to states with an exchange for 2nights with 5 staff (2 from CHFS, 2 from DOI, 1 IT)		<p>Utah</p> <p>Flight = \$750 per flight/5 staff = \$3750</p> <p>Lodging= \$280 per day/5 staff= \$2800</p> <p>Per Diem= \$36 per day x 5 staff @ 2nts=\$360</p> <p>Parking/Misc=2 days @ 5 staff/\$40 day \$400</p> <p>Total \$7310</p> <p>Massachusetts</p> <p>Flight= \$500 per flight/5 staff = \$2500</p> <p>Lodging= \$280 per day/5 staff= \$2800</p> <p>Per Diem= \$36 per day x 5 staff @ 2nts=\$360</p> <p>Parking/Misc=2 days @ 5 staff/\$40 day \$400</p> <p>Total \$6060</p> <p><b>TOTAL \$13,370</b></p> <p>HHS/OCIO \$500 per flight/4staff = \$2000</p> <p>Lodging= \$280 per day/@ 2nts 4staff= \$2240</p> <p>Per Diem= \$36 per day x 4 staff @ 2nts=\$288</p> <p>Parking/Misc=2 days @ 4 staff/\$40 day \$320</p> <p>Total \$4848</p> <p>Total x 5 trips \$24,240</p>
Travel to HHS/OCIO Exchange meetings		
10 Stakeholder Public Forums	\$45,265	<p>Facility charges (meeting rooms): \$10,000</p> <p>Hotel rooms (only when one-day travel is not possible): \$5000</p> <p>Equipment rental: \$2,000</p> <p>Refreshments: \$7765</p>

# Kentucky's Budget Narrative/Justification

		Misc. (state vehicles, comp time, etc.): Speakers \$3,000 Printing costs \$10,000 Total \$7,500 \$45,000
Background Research	\$310,000	Economic and Actuarial Modeling of Uninsured/Insured (Individual small group, large group and association)
Assessment of IT Systems	\$192,500	2 IT Consultants - Assessment of current Medicaid eligibility system, operational gap analysis to conform with ACA requirements, and development of web portal. \$70 per hour @ 2750 hours= \$192,500
Office Supplies and Equipment	\$10,000	Basic supplies for 12 months, laptop computer, blackberry, printer, desk,
Indirect Charges	\$160,000	Indirect Cost Rate Agreement of 16% (copy enclosed)
TOTAL	\$1,000,000	Total equal \$160,000



1. DATE ISSUED (Mo./Day/Yr.) 09/29/2010		2. CFDA NO. 93.525	
3. SUPERCEDES AWARD NOTICE dated except that any additions or restrictions previously imposed remain in effect unless specifically rescinded			
4. GRANT NO. 1 HBEIE100037-01-00 Formerly:		5. ADMINISTRATIVE CODES SEPI	
6. PROJECT PERIOD Mo./Day/Yr. From 09/30/2010		Through 09/29/2011	
7. BUDGET PERIOD Mo./Day/Yr. From 09/30/2010		Through 09/29/2011	

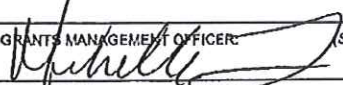
**Department of Health and Human Services**  
**Office of the Secretary**  
**Office of Consumer Information and Insurance Oversight**  
 Grants, Contracts and Integrity Division  
 7501 Wisconsin Ave West Tower  
 Room 10-15  
 Bethesda, MD 20814-6519

**NOTICE OF GRANT AWARD**  
 AUTHORIZATION (Legislation/Regulations)  
 Section 1311 of the Affordable Care Act, Health Insurance Exchange

8. TITLE OF PROJECT (OR PROGRAM) (Limit to 66 spaces) State Planning and Establishment Grants for the Affordable Care Act's Exchanges.	
9. GRANTEE NAME AND ADDRESS a. Kentucky Cabinet for Health and Family Service b. 275 E Main St # 4W-E c. d. Frankfort e. KY f. 40601-2321	10. DIRECTOR OF PROJECT (PROGRAM DIRECTOR/PRINCIPLE INVESTIGATOR) (LAST NAME FIRST AND ADDRESS) Carrie Banahan 275 E Main St # 4W-E Frankfort, KY 40601 Phone: 502-564-9592

11. APPROVED BUDGET (Excludes HHS Direct Assistance)		12. AWARD COMPUTATION FOR GRANT	
I HHS Grant Funds Only		a. Amount of HHS Financial Assistance (from item 11.u) 1,000,000	
II Total project costs including grant funds and all other financial participation (Select one and place NUMERAL in box) <b>II</b>		b. Less Unobligated Balance From Prior Budget Periods 0	
a. Salaries and Wages 168,070		c. Less Cumulative Prior Award(s) This Budget Period 0	
b. Fringe Benefits 76,555		d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION 1,000,000	
c. Total Personnel Costs 244,625		13. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project):	
d. Consultants Costs 0		YEAR	TOTAL DIRECT COSTS
e. Equipment 0		e. 2	d. 5
f. Supplies 10,000		b. 3	e. 6
g. Travel 37,610		c. 4	f. 7
h. Patient Care - Inpatient 0		14. APPROVED DIRECT ASSISTANCE BUDGET (IN LIEU OF CASH):	
i. Patient Care - Outpatient 0		a. AMOUNT OF HHS Direct Assistance 0	
j. Alterations and Renovations 0		b. Less Unobligated Balance From Prior Budget Periods	
k. Other 45,265		c. Less Cumulative Prior Award(s) This Budget Period	
l. Consortium/Contractual Costs 502,500		d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION 0	
m. Trainee Related Expenses 0		15. PROGRAM INCOME SUBJECT TO 45 CFR PART 74, SUBPART F, OR 45 CFR 92.25, SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: (Select one and place LETTER in box) <b>b</b>	
n. Trainee Stipends 0		a. DEDUCTION	
o. Trainee Tuition and Fees 0		b. ADDITIONAL COSTS	
p. Trainee Travel 0		c. MATCHING	
q. TOTAL DIRECT COSTS 840,000		d. OTHER RESEARCH (Add / Deduct Option)	
r. INDIRECT COSTS 160,000		e. OTHER (See REMARKS)	
s. TOTAL APPROVED BUDGET \$ 1,000,000		16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, HHS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING: a. The grant program legislation cited above. b. The grant program regulation cited above. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. HHS Grants Policy Statement including addenda in effect as of the beginning date of the budget period. e. 45 CFR Part 74 or 45 CFR Part 92 as applicable. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.	
t. SBIR Fee			
u. Federal Share \$ 1,000,000			
v. Non-Federal Share \$ 0			

REMARKS: (Other Terms and Conditions Attached - ☐ Yes ☒ No)  
 Refer to the following Award Attachments: 1) Standard Terms and Conditions 2) Special Terms and Conditions

GRANTS MANAGEMENT OFFICER:  (Signature)		(Name - Typed/Print) Michelle Feagins		(Title) Senior Grants Management Specialist	
17. OBJ CLASS FY-CAN 0-199RE41	18. CRS - EIN DOCUMENT NO. HBEIE0037A	1610600439B5	19. LIST NO. ADMINISTRATIVE CODE SEPI	CONG. DIST.: AMT ACTION FIN ASST 1,000,000	06 AMT ACTION DR ASST 0
20. a.	b.	c.	d.	e.	f.
21. a.	b.	c.	d.	e.	f.
22. a.	b.	c.	d.	e.	f.



## AWARD ATTACHMENTS

Kentucky Cabinet for Health and Family Service

1 HBEIE100037-01-00

1. Standard Terms and Conditions
2. Special Terms and Conditions

**Office of Consumer Information and Insurance Oversight**

**State Planning and Establishment Grants for the  
Affordable Care Act's Exchanges**

**Standard Terms & Conditions  
Attachment A**

1. **The HHS/Office of Consumer Information and Insurance Oversight (OCIIO) Program Official.** The Program Official assigned with responsibility for technical and programmatic questions from the Grantee is Susan Lumsden ([Susan.Lumsden@hhs.gov](mailto:Susan.Lumsden@hhs.gov)).
2. **The HHS/OCIIO Grants Management Specialist.** The Grants Management Specialist assigned with the responsibility for the financial and administrative aspects (non-programmatic areas) of grants administration questions from the Grantee is Michelle Feagins in the Division of Grants Management ([Michelle.Feagins@hhs.gov](mailto:Michelle.Feagins@hhs.gov)).
3. **The HHS Grants Policy Statement (HHS GPS).** This grant is subject to the requirements of the HHS GPS that are applicable to the Grantee based on your recipient type and the purpose of this award. This includes any requirements in Part I and II (available at <http://www.hhs.gov/grantsnet/adminis/gpd/index.htm>) of the HHS GPS that apply to an award.

Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR 92 directly applies to this award apart from any coverage in the HHS GPS.

4. **Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87).** This grant is subject to the requirements as set forth in Title 2 Part 225, State, Local, and Indian Tribal Governments (previously A-87).

**Office of Consumer Information and Insurance Oversight**

**State Planning and Establishment Grants for the  
Affordable Care Act's Exchanges**

**Special Terms & Conditions  
Attachment B**

1. **Budget and Project Period:** The project and budget period for State Planning and Establishment Grants for the Affordable Care Act's Exchanges is from September 30, 2010 through September 29, 2011. The start date for the grants is on or after September 30, 2010. No grant funds can be used for expenses incurred prior to September 30, 2010.
2. **Collaborative Responsibilities:** At the request of OCIO, Grantees may be required to participate in scheduled activities and communications to identify and share "best practices" for Exchanges, including discussion of State proposals and sharing of information via public websites. OCIO will post general summaries of the State proposals on the OCIO website. The Grantee is required to participate in all required communications (e.g., monitoring calls, guidance calls) as requested by OCIO.
3. **Personnel Changes:** The Grantee is required to notify the OCIO Project Officer and the OCIO Grants Management Officer within thirty (30) days of any personnel changes affecting the grant's Project Director, Assistant Project Director, or the Financial Officer.
4. **Funding Specifications:** All funds provided under this grant will be used by the Grantee exclusively for the State Planning and Establishment Grants for the Affordable Care Act's Exchanges as defined in Section 1311 of the Affordable Care Act and as described in the funding opportunity announcement. If the Grantee uses these funds for any purpose other than those awarded through this program (or those modifications that have the prior written approval of the OCIO Project Officer) then all funds provided under this grant may be required to be returned to the United States Treasury.
  - a. **Consumer Assistance.** States can use Exchange grant funds to conduct activities that can be funded under the Consumer Assistance Program Grants and only to the extent that there will be no duplicative Federal funding for such activities and that the activities funded meet the terms and conditions for all of grants.
  - b. **Medicaid/CHIP.** Exchange grant funds cannot be used exclusively for the modification of systems or processes solely related to Medicaid/CHIP eligibility.
  - c. **Information Technology (IT) Systems.** The funding for Exchange IT systems should come from the Exchange grant funds. The Exchange grant funds awarded under this Notice of Grant Award are intended for planning activities only and any procurement activities should not be pursued without prior approval from OCIO.
  - d. **Medical Loss Ratio (MLR).** Exchange grant funds cannot be used for the implementation of the MLR requirements of the Affordable Care Act. States can use



STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT'S EXCHANGES  
SPECIAL TERMS & CONDITIONS

Exchange grant funds for MLR activities only to the extent that such activities are related to the planning and implementation of Exchanges.

5. **Required Grant Reporting:** The templates for the Required Grant Reporting will be forthcoming.
- a. **Quarterly Project Report.** The Grantee is required to submit four (4) Quarterly Progress Reports to the OCIO Grants Management Specialist and to the OCIO Project Officer. Quarterly Progress Reports are due within 30 days after the end of the quarter (no later than January 31, April 30, July 31, and October 31, 2011).
  - b. **Final Project Report.** The Grantee is required to submit a Final Project Report to the OCIO Grants Management Specialist, with a copy to the OCIO Project Officer, within 90 days after the project period ending date (no later than December 31, 2011).
  - c. **Public Report.** The Grantee is required to prominently post specific information about the Exchange grants on their respective Internet websites to ensure that the public has information on the use of funds.
6. **Required Financial Reports:** A Financial Status Report (FSR) (SF 269A – Short Form) is required from the recipient within 90 days after the end of the project period. Records of expenditures and any program income generated must be maintained in accordance with the provisions of 45 CFR 74.53 or 92.42. The Grantee will submit the FSR to the OCIO Grants Management Specialist listed on this Notice of Grant Award with a copy to the OCIO Project Officer. (The SF-269A may be accessed at the following site: [www.whitehouse.gov/omb/grants/sf269a](http://www.whitehouse.gov/omb/grants/sf269a)).

Effective January 1, 2010, Grantees are to report cash transaction data via the Payment Management System (PMS) using the Federal Financial Report (FFR or Standard Form 425) cash transaction data elements. The FFR must be filed within 30 days of the end of the quarter (instead of the 45 days allowed for filing the PSC 272). Reporting cash transaction data using the FFR replaces the use of the Federal Cash Transaction Report (SF-272/SF272A). Additional information and training are available on the Division of Payment Management website ([www.dpm.psc.gov](http://www.dpm.psc.gov)).

A Quick Reference Guide for completing the FFR in the PMS is at [www.dpm.psc.gov/grant\\_recipient/guides\\_forms/ffr\\_quick\\_reference](http://www.dpm.psc.gov/grant_recipient/guides_forms/ffr_quick_reference).





COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR

STEVEN L. BESHEAR  
GOVERNOR

700 CAPITOL AVENUE  
SUITE 100  
FRANKFORT, KY 40601  
(502) 564-2611  
FAX: (502) 564-2517

August 30, 2010

Ms. Donna Laverdiere  
Office of Consumer Information and Insurance Oversight  
United States Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

RE: Support for Kentucky's Planning Grant for Establishment of a State  
Health Benefit Exchange

Dear Ms. Laverdiere:

The Governor's Office fully supports the Kentucky Cabinet for Health and Family Services' (CHFS) application for the health benefit exchange grant. CHFS is designated as the lead agency for the grant; however, additional assistance will be provided by the Public Protection Cabinet through the Kentucky Department of Insurance (DOI). Within CHFS, assistance will be provided by the Department for Medicaid Services (DMS) and Office of Administrative and Technology Services (OATS). We look forward to the collaborative efforts of these agencies to both strengthen and build new partnerships to assist our State in planning for an exchange that will meet the needs of the Commonwealth.

CHFS will be acting as the single point of contact for all grant matters. CHFS will coordinate the exchange planning activity with DOI, DMS and OATS, as it relates to background research, public forums, analysis of technology infrastructure, integration of systems capabilities, governance, business operations, and policy actions. I welcome these combined efforts to provide valid information to plan for the establishment of a health benefit exchange for the state of Kentucky.

If you have additional questions, please feel free to contact the Cabinet for Health and Family Services. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven L. Beshear".

Steven L. Beshear



**CABINET FOR HEALTH AND FAMILY SERVICES  
OFFICE OF THE SECRETARY**

**Steven L. Beshear**  
Governor

275 East Main Street, 5W-A  
Frankfort, Kentucky 40621  
Telephone: (502) 564-7042  
FAX: (502) 564-7091  
[www.chfs.gov](http://www.chfs.gov)

**Janie Miller**  
Secretary

August 31, 2010

Sharon Clark  
Commissioner of Insurance  
Kentucky Department of Insurance  
P. O. Box 517  
Frankfort, KY 40602

Re: State Planning and Establishment Grants for the Affordable Care Act's Exchanges

Dear Commissioner Clark:

This Letter of Agreement is to memorialize the intention of the Cabinet for Health and Family Services (CHFS) and the Public Protection Cabinet – Department of Insurance (DOI) to collaboratively perform research and planning functions to enable the Commonwealth of Kentucky to determine the practicality of establishing a state-run Health Benefit Exchange in the Commonwealth pursuant to the Affordable Care Act. CHFS is applying for State Planning and Establishment Grants for the Affordable Care Act's Exchanges (Grant Opportunity # 93.525) and is including DOI initiatives and expenses in the grant application.

By countersigning this letter, the DOI hereby agrees that the grant application, as submitted by CHFS, is accurate regarding the DOI's planning activities, goals and necessary funds. The DOI agrees to be bound by the rules and regulations regarding the grant funds awarded under this opportunity.

Sincerely,

Janie Miller, Secretary  
Cabinet for Health and Family Services

Sharon Clark, Commissioner  
Department of Insurance



SEP 30 2010

Carrie Banahan  
Kentucky, Cabinet for Health and Family Service  
275 East Main Street 4W-E  
Frankfort, KY 40621

Dear Ms. Banahan:

On behalf of the Office of Health Insurance Exchanges in the Office of Consumer Information and Insurance Oversight (OCIO), I am pleased to inform you that we will fund your project in the amount of \$1000000 under Funding Opportunity Announcement CFDA 93.525, entitled State Planning and Establishment Grants for the Affordable Care Act's Exchanges.

Health Insurance Exchanges will empower the American people to truly compare the health benefits they purchase for the first time. The Exchanges will allow individuals and small businesses access to bargaining power comparable to that of established larger groups. Health Insurance Exchanges help level the playing field by putting greater control and greater choice in the hands of consumers.

These grants are designed to help states determine whether they should establish an Exchange, and if so, assist them in beginning to conduct the critical planning activities for Exchange development. The Affordable Care Act put states on the front lines of changing the health insurance marketplace to benefit consumers. These grants will give Kentucky the necessary resources to determine how the Health Insurance Exchange can best serve consumers. HHS will help facilitate the sharing of information among states as the grants are utilized to ensure the most efficient use of federal dollars.

Your Notice of Grant Award will be mailed to you soon. Pursuant to the HHS Grants Policy Statement, terms and conditions are associated with the receipt of this grant and will be included with the Notice of Grant Award.

We at OCIO thank you for your commitment and look forward to continued collaboration with Kentucky to ensure the Exchange in your state fulfills the principals of affordability, quality, transparency and access that are embodied in the Affordable Care Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Angoff", is written over a horizontal line.

Jay Angoff  
Director